

and the talks dragged on through mid-1992. That July, Mr. Lemelson sued four of the companies, Toyota Motor Corp., Nissan Motor Co., Mazda Motor Corp. and Honda Motor Co. Within a month, the Japanese agreed to settle; the 12 companies paid him the \$100 million.

At a post-settlement celebration of sorts, in the Brown Palace Hotel in Denver, the Japanese insisted on taking photographs, which show eight grim-looking Japanese surrounding a beaming Mr. Lemelson. He contends that it was a heroic victory, a patriotic act. "My federal government has made [in taxes] probably over a quarter of a billion dollars on my patents over the years," he says. "A good part of it has been foreign money."

Similar infringement suits followed, against Mitsubishi Electric Corp., against Motorola Inc., against the Big Three Detroit auto makers. Initially, both Mitsubishi and Motorola decided to fight; later, they settled. The suits against General Motors Corp. and Chrysler Corp. were "dismissed without prejudice." In effect, any further action against GM or Chrysler is in abeyance until the Ford outcome is known.

WHY THEY SETTLED

By all accounts, the strategy was well-planned and well-executed. Mr. Hosier says the Japanese were more inclined to settle than the Americans. Commissioner Lehman says the Japanese are "particularly freaked by litigation. And so you start out with them. . . . And, of course, they all pay up, and that establishes a precedent." After the Japanese settlement, several European auto makers also agreed to take licenses on Mr. Lemelson's patents.

Some who settled say they concluded that Mr. Lemelson had a good case. Others call it an uphill battle to try to persuade a judge or jury that the government had repeatedly made mistakes in issuing him all those patents. With a legal presumption that patents are valid, his opponents say they had the burden of proving the Patent Office had goofed 11 times in a row.

In any event, by 1994, Mr. Lemelson had amassed about \$500 million in royalties from his patents. But Ford has held out.

Even as the lawyers haggled over the law, many of the facts in the case were undisputed. In 1954 and 1956, both sides agree, Mr. Lemelson made massive patent filings, which included, for example, many drawings and descriptions of an electronic scanning device. As an object moved down a conveyor belt, a camera would snap a picture of it. Then that image could be compared with a previously stored one. If they matched, a computer controlling the assembly line would let the object pass. If the two images didn't match up, it might be tossed on a reject pile.

But because Mr. Lemelson's filings were so extensive and complex, the Patent Office divided up his claims into multiple inventions and initially dealt with only some of them. Thus, for whatever reason, his applications kept dividing and subdividing, amended from time to time with new claims and with new patents.

It was as if the 1954 and 1956 filings were the roots of a vast tree. One branch "surfaced" in 1963, another in 1969, and more in the late 1970s, the mid-1980s and the early 1990s. All direct descendants of the mid-1950s filings, they have up-to-date claims covering more recent technology, such as that for bar-coding scanning.

The lineage was presented to the court in a color-coded chart produced by Ford. It shows how the mid-1950s applications spawned further applications all through the 1970s and 1980s. One result: a group of four

bar-code patents issued in 1990 and 1992, with a total of 182 patent claims, all new and forming the basis of 14 infringement claims against Ford. But because of their 1950s roots, these patents claim the ancient heritage of Mr. Lemelson's old applications and establish precedence over any inventor with a later date.

The entire battle has become numbingly complex, a battle over whether the long stretch between the mid-1950s and the new claims in the 1990s constituted undue delay. Ford says yes. Mr. Lemelson says no. The magistrate judge found for Ford.

Another question is whether Mr. Lemelson's original filings—his scanner and camera and picture of images on a conveyor belt—should be considered the concepts of bar-code scanning, and thus Ford's use of bar coding in its factories make it an infringer of his patents. Mr. Lemelson says yes. Ford says no, arguing Mr. Lemelson depicted a fixed scanner (bar-code scanners can be hand-held).

"As we said in our lawsuit, if you walk into the Grand Union and show up for work with a 'Lemelson' bar-code scanner, it won't work," quips Jesse Jenner, a lawyer for Ford.

It's impossible to say which side will ultimately prevail. Or whether there will be a settlement. But the clear winners so far are the lawyers. Mr. Lemelson alone employs a small army of them. And Mr. Hosier pretty much thanks himself for that, noting an old joke: "One lawyer in town, you're broke. Two lawyers in town, you're rich."

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington, Mrs. LINDA SMITH, is recognized for 5 minutes.

[Mrs. LINDA SMITH of Washington addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]

STEAL AMERICAN TECHNOLOGY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. FORBES] is recognized for 5 minutes.

Mr. FORBES. Mr. Speaker, I take the floor today in this, the people's House. Yes, we proudly proclaim that this is the people's House where we stand up for the individual.

Mr. Speaker, tomorrow there is going to be a very startling series of events on an issue that will be before this House. I refer specifically to H.R. 400, the Steal American Technology Act.

This act will take American individuals and American interests and supplant them to the foreign interests. It will take multinational corporation interests and put them over the individual's interest. It will weigh in for power and prestige over the needs of Americans and our economy.

Mr. Speaker, H.R. 400 is about gaining access to foreign markets. If my colleagues are concerned about the terrible exporting of American jobs overseas, they will be absolutely outraged if H.R. 400 is to pass this House and become law because it sells out our children's future and our grandchildren's future, it puts us at an economic dis-

advantage in the world marketplace, and it makes American interests secondary to foreign interests.

Patent protections go back to the beginning of this Republic. They are spelled out in our Constitution. They say that, if a man or woman comes up with a great idea, they can get that idea protected by our Government and by our patent offices, Eli Whitney and his cotton gin protected by the patent system, Henry Ford protected by the patent system, Thomas Edison protected by the patent system.

Mr. Speaker, what this body is about to do tomorrow will put us at a distinct disadvantage. It will say to the little guy, forget you, multinational interests are supreme over individual interests; we need access to foreign markets, so we are going to sell out the individual.

This is a horrendous activity that is about to take place. Mr. Speaker, telling men and women across America, the individuals, the little guys, that come up with the good idea that they are no longer going to be protected because after 18 months, whether they have their patent or not, we will open it up for the whole world to see their idea so that the whole world can copy that idea.

And who better than the more aggressive nations around the globe that are trying to take our American ideas, Asian nations particularly have pleaded with the administration to loosen up on patents, to loosen up those protections, water down our ability to protect American ideas; and in return, we will give you access to foreign markets.

Multinational corporations love it because with their vast legal departments they can protect their interests. But what about the little guy who does not have the resources to get a bank of attorneys to protect their idea?

The American patent system has historically protected the little guy, and tomorrow we are going to sell down the river the little guy in America for the sake of multinational corporations. We must oppose the watering down of our patent protections.

This will put Horatio Alger's notion of this Nation, that an average man or woman with a good idea could build upon that idea and create new jobs, create whole new industries, create a stronger and better America.

As we march into the 21st century, we are going to hand off that notion to foreign interests because multinational corporations want access to foreign markets. And if we let this pass in this House, shame on us, Mr. Speaker.

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Shame on us for selling down the American people in what we have lovingly called the people's House.

REGARDING JUDICIAL ACTIVISM

The SPEAKER pro tempore (Mr. ROGAN). Under the Speaker's announced policy of January 7, 1997, the